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Abercrombie & Fitch Co & Anor v Fashion Factory Outlet KL Sdn Bhd & Ors

B

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO D5–22–172 OF 2007
RAMLY ALI J
25 SEPTEMBER 2007

C

Civil Procedure — Summary judgment — Delay — Application for summary judgment made two months after filing of appearance and defence — Reason for delay properly explained in affidavit — Whether inordinate delay — Whether such delay fatal to application

D

Civil Procedure — Summary judgment — Injunction — Whether summary judgment may be granted where claim for permanent injunction also made — Whether High Court properly seized of jurisdiction to so order

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H

The first and second plaintiffs were incorporated in the United States of America. The second plaintiff was a wholly owned subsidiary of the first plaintiff and the registered proprietor of the 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' trademarks in Malaysia. The said trademarks were all valid and subsisting. The first three defendants were companies incorporated in Malaysia and involved in the selling of selling of garments and textiles. They also operated several fashion goods operating outlets in Malaysia. The fourth and fifth defendants were the common directors and shareholders of

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the first three defendants. The plaintiffs claimed that their marks were blatantly infringed by the defendants. Various goods seized from the defendants' outlets bore the offending marks. The plaintiffs confirmed that the seized goods were not manufactured by them. The plaintiffs thus filed an action for trademark infringement and passing off. They then filed an application for certain permanent restraining injunctions against the defendants and for summary judgment in respect of the trademarks claim. The defendants in resisting the action and application claimed: (i) the plaintiffs' application for summary judgment was flawed because the first plaintiff was not the proprietor of the registered trademark; (ii) the plaintiffs' application for summary judgment was dangerously wide ranging; (iii) there was a delay in the plaintiffs' application for summary judgment; (iv) the defendants were the earlier or first user of the trademarks in Malaysia; (v) there were third party users of the subject trademarks; and (vi) non-use of the second plaintiff's registered trademarks by the plaintiffs.

Held, allowing the application with costs:

(1) The second plaintiff was a wholly owned subsidiary of the first plaintiff. The goodwill and reputation subsisting in the second plaintiff's registered trademarks was shared by both the first and second plaintiffs. The fact that the application was made by the plaintiffs, without specifying which plaintiff, did not ipso facto make the application 'flawed'. It was very clear that the application was based solely on the claim for trademark infringement. This was made abundantly clear in the grounds appearing in the summons in chambers itself and the supporting affidavit that the application was in respect of the second plaintiff's claim for trademark infringement. This was in full compliance with the requirements of O 14 r 2(1) of the Rules of the High Court 1980. The defendants were in no way prejudiced by the non-differentiation of the plaintiffs. The court itself was entitled to give such judgment for the appropriate plaintiff on any part of the claim as may be just having regard to the nature of the remedy or the relief claimed (see paras 15(c)–16).

(2) The application for summary judgment was filed approximately two months after the filing of appearance by the fourth and fifth defendants and their defence. This was not inordinate delay, and this slight delay had been satisfactorily explained by the plaintiff. This two month delay should not deprive the plaintiffs of an O 14 remedy (see paras 18–19).

(3) The High Court is empowered or seized with the jurisdiction to grant a summary judgment for trademark infringement even if it involves a claim for permanent mandatory injunction. Further, a perpetual injunction may also be obtained in a summary judgment application as

long as the court hears both parties on the merits. There is no provision in the Specific Relief Act 1950 which prohibits the High Court from awarding an injunction at the summary judgment application (see paras 25, 37 & 39).

(4) In the instant case, the plaintiffs had satisfied the three preliminary conditions as laid down in O 14. Firstly, the defendants had entered appearance; secondly, the statement of claim had been served on the defendants; and thirdly, the application for summary judgment had been supported by affidavit. In order to succeed in their application, the plaintiffs had to establish their cause of action against the defendants for trademark infringement on merit and the defendants must not have raised any defence to the plaintiffs' claim or any triable issue. The onus would then shift to the defendants to show to the court why summary judgment should not be entered against them. The defendants had to provide answers on oath which constituted evidence that they had a defence fit to be tried. Denial in a defence would not constitute evidence. A mere bare assertion by the defendants would not be sufficient (see paras 40–43).

(5) On the facts, the plaintiffs had fulfilled all five requirements to establish infringement of trademark as laid down in *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188, viz: (a) the defendants had used the mark identical with the plaintiffs' registered mark; (b) the offending mark had been used without the authority of or license by, the plaintiffs; (c) the defendants used the offending mark in the course of trade; (d) the defendants used the offending mark in relation to goods in respect of which the trademark was registered; and (e) the defendants had used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trademark (see para 57).

(6) The defendants' claim that they were the earlier or first user of, the offending marks in Malaysia was a bare averment without any substantiating evidence. In any event, one of the second plaintiff's registered trademarks, namely 'ABERCROMBIE & FITCH' was registered with effect from 27 August 1994. Any allegation of prior use if it was to be of any legal significance, had to be earlier than this. Since the second and third defendants were incorporated in 1999 and 1995 respectively, it was impossible that they would be able to rely on the defence of prior use. Further, the two registered marks of the second plaintiffs were registered for more than seven years and they are to be treated as valid in all respects in all legal proceedings (see paras 68–69).

(7) The defendants' allegations of third-party use of the trademarks did not afford a ground to exonerate the defendants. The defendants' allegations of non-use were totally irrelevant, incorrect and misleading. Firstly, the

plaintiff's trademarks had been registered for more than seven years and ought to be treated as valid and conclusive in all legal proceedings. Secondly, the plaintiffs operated and maintained three e-commerce websites which sold their products to various countries worldwide including Malaysia. The plaintiffs' products including articles of clothing bearing the second plaintiff's registered trademarks were available for purchase over the Internet. The sale of goods bearing a trademark over the internet or via a website is recognised as a use of the trademark (see paras 71–74).

(8) The fourth and fifth defendants were responsible for the incorporation and promotion of the first, second and third defendants as corporate bodies. As such they were the soul and mind of the first, second and third defendants and therefore liable personally (see para 78).

[Bahasa Malaysia summary

Plaintif pertama dan kedua diperbadankan di Amerika Syarikat. Plaintif kedua adalah subsidiari milikan penuh plaintif pertama dan pemilik berdaftar tanda dagangan 'ABERCROMBIE & FITCH' dan 'ABERCROMBIE' di Malaysia. Tanda dagangan tersebut kesemuanya adalah sah dan masih ada. Tiga defendan yang pertama adalah syarikat yang diperbadankan di Malaysia dan terlibat dengan penjualan pakaian dan tekstil. Mereka juga menjalankan beberapa perniagaan barangan fesyen di Malaysia. Defendan keempat dan kelima adalah pengarah dan pemegang saham bagi tiga defendan pertama. Plaintif telah mendakwa bahawa tanda mereka telah secara terang-terangan dilanggar oleh defendan-defendan. Pelbagai barangan yang dirampas daripada kedai defendan yang menggunakan tanda salah tersebut. Plaintif-plaintif mengesahkan bahawa barangan yang dirampas tidak dikeluarkan oleh mereka. Plaintif kemudiannya memfailkan tindakan bagi perlanggaran tanda dagangan dan kelirupaan. Mereka kemudiannya memfailkan permohonan untuk beberapa injunksi penahanan kekal terhadap defendan-defendan dan untuk penghakiman terus berkenaan dengan tuntutan tanda dagangan. Defendan dalam menentang tindakan dan permohonan menuntut: (i) permohonan plaintif untuk penghakiman terus adalah cacat kerana plaintif pertama bukanlah pemilik kepada tanda dagangan yang berdaftar; (ii) permohonan plaintif untuk penghakiman terus adalah jarak luas yang berbahaya; (iii) terdapatnya kelewatan dalam permohonan plaintif untuk penghakiman terus; (iv) defendan adalah yang terawal atau pengguna pertama tanda dagangan tersebut di Malaysia; (v) terdapatnya pengguna pihak ketiga bagi subjek tanda dagangan; dan (vi) tidak menggunakan tanda dagangan berdaftar plaintif kedua oleh plaintif-plaintif.

Diputuskan, membenarkan permohonan dengan kos:

(1) Plaintif kedua adalah subsidiari milik penuh plaintif pertama. Nama baik dan reputasi yang ada pada tanda dagangan berdaftar plaintif kedua adalah dikongsi oleh kedua-dua plaintif pertama dan kedua. Fakta bahawa permohonan yang dibuat oleh plaintif tanpa menyatakan plaintif yang mana satu, tidak ipso facto membuatkan permohonan 'cacat'. Ianya adalah jelas bahawa permohonan semata-mata berdasarkan atas tuntutan untuk perlanggaran tanda dagangan. Ini telah dibuat dengan jelas sekali dalam alasan-alasan di dalam saman dalam kamar tersebut dan afidavit sokongan bahawa permohonan adalah berkenaan dengan tuntutan plaintif kedua untuk perlanggaran tanda dagangan. Ini adalah pematuhan penuh dengan syarat-syarat A 14 k 2(1) Kaedah-Kaedah Mahkamah Tinggi 1980. Defendan-defendan tidak diprejudiskan dengan tidak membezakan plaintif. Mahkamah sendiri adalah berhak untuk memberikan keputusan tersebut untuk plaintif yang sebenar atas mana-mana bahagian tuntutan yang berkemungkinan adil dengan mempertimbangkan keadaan remedi atau relief yang dituntut (lihat perenggan 15(c)–16).

(2) Permohonan untuk penghakiman terus telah difailkan kira-kira dua bulan selepas pemfailan kehadiran oleh defendan keempat dan kelima serta pembelaan mereka. Ini bukannya kelewatan yang terlampau, dan kelewatan ini telah secara memuaskan dijelaskan oleh plaintif. Kelewatan dua bulan ini tidak sepatutnya menafikan plaintif-plaintif daripada remedi A 14 (lihat perenggan 18–19).

(3) Mahkamah Tinggi diberi kuasa atau memiliki bidang kuasa untuk memberikan penghakiman terus untuk perlanggaran tanda dagangan walaupun jika ianya melibatkan tuntutan untuk injunksi mandatori kekal. Selanjutnya, injunksi berkekalan juga boleh diperolehi di dalam penghakiman terus selagi mana mahkamah mendengar kedua-dua pihak secara merit. Tidak terdapat peruntukan di dalam Akta Relif Spesifik 1950 yang menghalang Mahkamah Tinggi daripada mengawardkan injunksi dalam permohonan penghakiman terus (lihat perenggan 25, 37 & 39).

(4) Dalam kes ini, plaintif telah memenuhi tiga syarat awal seperti mana yang digariskan di dalam A 14. Pertama, defendan-defendan telah memasukkan kehadiran, kedua, pernyataan tuntutan telah disampaikan kepada defendan-defendan, dan ketiga, permohonan untuk penghakiman terus disokong oleh afidavit. Untuk berjaya dalam permohonan mereka, plaintif perlu membuktikan kausa tindakan mereka terhadap defendan-defendan bagi perlanggaran tanda dagangan secara merit dan defendan-defendan mestilah tidak membangkitkan apa-apa pembelaan terhadap tuntutan plaintif atau isu-isu untuk

dibicarakan. Tanggungjawab kemudiannya beralih kepada defendan untuk menunjukkan kepada mahkamah, mengapa penghakiman terus seharusnya tidak dimasukkan terhadap mereka. Defendan perlu menyediakan jawapan secara bersumpah yang terdiri daripada keterangan bahawa mereka mempunyai pembelaan yang sesuai untuk dibicarakan. Penafian di dalam pembelaan tidak membentuk keterangan. Hanya kenyataan kosong oleh defendan adalah tidak mencukupi (lihat perenggan 40–43).

(5) Berdasarkan fakta, plaintif telah memenuhi kesemua lima syarat untuk membuktikan perlanggaran tanda dagangan seperti mana yang digariskan di dalam *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188 yakni; (a) defendan telah menggunakan tanda yang sama dengan tanda berdaftar plaintif; (b) tanda yang dilanggar telah digunakan tanpa kebenaran atau lesen oleh plaintif; (c) defendan telah menggunakan tanda yang dilanggar dalam aktiviti perdagangan; (d) defendan telah menggunakan tanda yang dilanggar berkaitan dengan barangan berkenaan dengan tanda dagangan yang didaftarkan; dan (e) defendan telah menggunakan tanda yang dilanggar dalam cara yang menyebabkan kegunaan tanda tersebut sebagai tanda dagangan (lihat perenggan 57).

(6) Dakwaan defendan mendakwa bahawa mereka adalah pengguna awal atau pertama, tanda yang dilanggar di Malaysia adalah satu penegasan kosong tanpa mengesahkan buktinya. Dalam mana-mana keadaan, salah satu tanda dagangan plaintif kedua 'ABERCROMBIE & FITCH' telah didaftarkan mulai pada 27 Ogos 1994. Apa-apa dakwaan penggunaan awal, jika ianya untuk kegunaan perundangan, perlu lebih awal daripada tarikh tersebut. Memandangkan defendan kedua dan ketiga masing-masing diperbadankan pada 1999 dan 1995, adalah mustahil bahawa mereka boleh bergantung atas pembelaan penggunaan awal. Selanjutnya, dua tanda plaintif kedua yang didaftarkan telah didaftarkan lebih tujuh tahun dan ia perlu dilayan sebagai sah dalam kesemua prosiding perundangan (lihat perenggan 68–69).

(7) Dakwaan defendan-defendan berkenaan dengan penggunaan tanda dagangan oleh pihak ketiga tidak mampu memberikan alasan untuk melepaskan defendan. Dakwaan defendan-defendan berkenaan dengan tiada penggunaan adalah keseluruhannya tidak relevan, tidak benar dan mengelirukan. Pertama, tanda dagangan plaintif telah didaftarkan lebih tujuh tahun dan seharusnya dilayan sebagai sah dan konklusif di dalam kesemua prosiding perundangan. Kedua, plaintif telah menjalankan dan menyelenggara tiga laman web e-dagang yang telah menjual produk mereka ke pelbagai negara seluruh dunia termasuk Malaysia. Produk plaintif termasuk barang-barang pakaian yang membawa tanda dagangan berdaftar plaintif kedua yang boleh didapati untuk pembelian

di internet. Penjualan barangan yang menggunakan tanda dagangan melalui internet atau secara laman web adalah diiktiraf sebagai penggunaan tanda dagangan (lihat perenggan 71–74).

(8) Defendan keempat dan kelima adalah bertanggungjawab bagi perbadanan dan promosi defendan pertama, kedua dan ketiga sebagai badan korporat. Oleh yang demikian mereka adalah jiwa dan minda defendan pertama, kedua dan ketiga dan oleh itu bertanggungan secara peribadi (lihat perenggan 78).]

Notes

For a case on injunction, see 2(3) *Mallal's Digest* (4th Ed, 2007 Reissue) para 7288.

For a case on power of judge hearing application for summary judgment, see 2(3) *Mallal's Digest* (4th Ed, 2007 Reissue) para 7370.

For cases on delay, see 2(3) *Mallal's Digest* (4th Ed, 2007 Reissue) paras 7193–7198.

For cases on infringement of trademark generally, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 1977–2018.

For cases on registered trademark generally, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2125–2163.

Cases referred to

Acushnet Company v Metro Golf Manufacturing Sdn Bhd [2006] 7 CLJ 557 (refd)

Binariang Communications v I & P Inderawasih Jaya [2000] 3 MLJ 321 (refd)

Chen Heng Ping @ Tian Seow Hock & Ors v Intradagang Merchant Bankers (M) Berhad [1995] 2 MLJ 363 (refd)

Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors [1988] 1 MLJ 188 (folld)

Gillette UK Ltd & Anor v Edenwest Ltd [1994] RPC 279 (refd)

Metramac Corp Sdn Bhd v Fawziah Holdings Sdn Bhd [2006] 4 MLJ 113; [2006] 3 CLJ 177 (refd)

Oertli AG v EJ Bowman (London) LD & Ors [1956] RPC 282 (refd)

Panhar et Legasor v Panhand Levassor Motor Co Ltd (1901) 198 RPC 405 (refd)

Perkapalan Shamelin Jaya Sdn Bhd & Anor v Alpine Bulk Transport New York [1997] 3 MLJ 818 (refd)

Renofac Builder (M) Sdn Bhd v Chase Perdana Bhd [2000] MLJU 752 (refd)

Sejahratul Dursina @ Chomel bte Abdullah v Kerajaan Malaysia [2006] 1 MLJ 405 (refd)

Shell-Mex & BP Ltd Manchester Garages Ltd [1971] 1 All ER 841; [1971] 1 WLR 612 (refd)

Sri Minal Construction Sdn Bhd v Mobil Oil Malaysia Sdn Bhd [2006] 1 MLJ 746 (refd)

Suhner & Co AG v Sunher Ltd [1967] RPC 336 (refd)
1-800 Flowers Inc v Phonenames Ltd [2002] FSR 12 (refd)

Legislation referred to

Rules of the High Court 1980 O 2 r 3, O 13 r 3, O 13 r 14, O 14 r 1, O 14 r 2(1), Form 18, Form 49
Specific Relief Act 1950 ss 50(1), 50(2), 51(2), 51(3), 52(3)
Subordinate Court Rules 1980 O 1 r 6
Trade Marks Act 1976 ss 3(1), 3(2), 31(1), 35, 35(1), 36, 37, 38(1)(a), 40

Teo Bong Keang (Wong Jin Nee & Teo) for the plaintiffs.
KC Won (KC Won Co) for the defendants.

Ramly Ali J:

[1] Enclosure 9 is an application for summary judgment based on the cause of action for trademark infringement pursuant to O 14 of the Rules of High Court 1980 ('the RHC').

[2] The plaintiffs in this case have instituted the present action for both trademark infringement and passing off. However, the present application for summary judgment is only limited to trademark infringement.

[3] By way of summons in chambers (encl 9) the plaintiffs pray for the following orders:

(a) A permanent injunction to restrain the first, second and third defendants, whether acting by themselves, their directors, employees, servants or agents, whether jointly or severally or any of them or otherwise howsoever from doing the following acts, that is to say:

(i) infringing the second plaintiff's registered trademarks 'ABERCROMBIE & FITCH' trademark registration no 94/07752 in class 25 and 'ABERCROMBIE' bearing trademark registration no 00/002245 in class 25 (hereinafter shall be referred to as 'the plaintiffs' registered trademarks') by the use thereof in the course of trade the trademarks 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE' and/or any other marks confusingly similar to the plaintiffs' registered trademarks; and

(ii) using in any way in the course of trade or business, on or in association with any articles of clothing, footwear and headgear the marks 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE' or any part or parts thereof or any word or design that is deceptively or confusingly similar the marks 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE';

A (b) a permanent injunction to restrain the fourth and fifth defendants, whether acting by themselves, their servants or agents, companies controlled or owned by them, whether jointly or severally or any of them or otherwise howsoever from doing the following acts, that is to say:

B (i) infringing the plaintiffs' registered trademarks by the use thereof in the course of trade the trademarks 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' and/or any other marks confusingly similar to the plaintiffs' registered trademarks; and

C (ii) using in any way in the course of trade or business, on or in association with articles of clothing, footwear, headgear the words 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE' and/or 'A F' and/or 'A. FITCH' or any part or parts thereof or any word or design that is deceptively or confusingly similar to the marks D 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE';

(c) an order that all the defendants, whether acting by themselves, their servants or agents or any of them or otherwise howsoever, do deliver up and surrender to the plaintiffs' solicitors, their servants or agents or any E designated party, or at the plaintiffs' option, destruction upon oath, of all goods, articles, papers, signboards, stationery and materials in the possession, power, custody or control of all the defendants, the use of which will offend against the foregoing injunctions or any of them, within seven days from the date of the order;

F (d) an order that all the defendants or any of them whether acting by themselves, their directors, officers, servants or agents or any of them, or otherwise howsoever within seven days from the date of the order do effect a discovery upon oath by disclosing, listing, stating and verifying the same by affidavit the following information and documents:

G (i) the exact whereabouts of all infringing articles of clothing, footwear or headgear (hereinafter shall be referred to as 'infringing goods') which are in the power, possession, control or custody of the defendants whether in the course of transport or shipment to or H from the defendants and which have yet to be surrendered pursuant to the delivery up order herein;

(ii) to the best of the defendants' knowledge and belief:

I • the names and addresses of all persons or companies who have infringed the plaintiffs' registered trademarks;

• the names and addresses of all persons or companies who have supplied or offered to supply the defendants or any of them with the infringing goods;

- the names and address of all the persons to whom they have supplied or offered to supply any of the infringing goods; and
- full details of the dates and quantities of each offer to supply and actual supply referred to in paragraphs 4.2.1, 4.2.2 and 4.2.3 hereof together with the relevant purchase orders, delivery orders, import documentation, bills of lading, or any other related documents.

(e) an order for the defendants to pay the costs and expenses for the preparation and publication of notices in the local press to notify the trade and public that goods bearing the marks 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE' sold or offered for sale by them at all their FOS outlets are not manufactured by or on behalf of the plaintiffs and to express regret of their activities, within seven days from the date of the order;

(f) an inquiry as to damages in respect of the defendants' acts of trademark infringement together with an order for payment of all sums found due upon taking such inquiry;

(g) interest on the amounts found due to the plaintiffs calculated from the date of this writ until realisation as this court deems fit;

(h) costs; and

(i) such further and/or other relief as this court deems fit.

[4] The grounds for this application are set out briefly as follows:

(a) The second plaintiff is the registered proprietor of the 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' trademarks in class 25 in Malaysia in respect of 'articles of clothing, footwear, headgear, all included in class 25' (hereinafter shall be referred to as 'the plaintiffs' products'). Details for the second plaintiff's registered trademarks are as set out below:

(i) Trade Mark ABERCROMBIE & FITCH, Registration No 94007752 for class 25; and

(ii) Trade Mark ABERCROMBIE, Registration No 00002245, for class 25;

(b) the defendants or any of them have infringed and have the intention to continue to infringe the second plaintiff's registered trademarks;

(c) the defendants have no defence to the plaintiffs' claim for trademark infringement; and

(d) the defendants or any one of them, unless restrained by injunction will continue the infringing acts complained of.

THE PLAINTIFFS

[5] The first plaintiff and second plaintiff are corporations duly organised and existing under the laws of the State of Delaware in the United States of America. The second plaintiff is a wholly owned subsidiary of the first plaintiff.

[6] The plaintiffs and/or their predecessors were founded in 1892 and the plaintiffs are a leading specialty retailer encompassing four concepts and/or brands, ie, ABERCROMBIE & FITCH, ABERCROMBIE, Hollister Co, and RUEHL. The plaintiffs' premium quality products are sold in retail stores throughout the United States of America, Canada, the United Kingdom and as well as through catalogs. The plaintiffs operate 357 ABERCROMBIE & FITCH stores, 173 ABERCROMBIE stores, 377 Hollister Co stores and 12 RUEHL stores in the United States and operate three Abercrombie & Fitch stores and three Hollister Co stores in Canada as well as one Abercrombie & Fitch store in London, United Kingdom. The plaintiffs also operate e-commerce website at www.abercrombie.com, www.abercrombiekids.com and www.hollisterco.com which sell their products to various countries worldwide including Malaysia.

[7] The second plaintiff is the registered proprietor of the 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' trademarks in class 25 in Malaysia, for articles of clothing, footwear and headgear.

[8] The second plaintiff's registered trademarks are and have at all material times been valid and subsisting.

THE DEFENDANTS

[9] The first, second and third defendants are companies incorporated in Malaysia with their registered office at Room 101, Tingkat 1, No 368, Jalan Pudu, 55100 Kuala Lumpur.

[10] The first, second and third defendants are in the business of retailng, wholesaling and distributing garments, textiles and fashion goods operating outlets with business addresses including without limitation as follows:

(a) Maju Junction Mall, Anchor Tenant 1.01, Level 1, 1001, Jalan Sultan Ismail, 50250, Kuala Lumpur;

(b) Lot S223, Promenade 1 Utama Shopping Centre Bandar Utama, 47300 Petaling Jaya, Selangor;

(c) 20, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor;

(d) G27D2 & G27E, Ground Floor, Subang Parade Shopping Centre, Subang, Selangor; and

(e) LG6, Lower Ground Floor, Bangsar Village Centre, Bangsar, Kuala Lumpur.

[11] It is apparent from exhs 'SB-4', 'SB-5' and 'SB-6' that the first, second and third defendants are connected, affiliated and/or are associated companies wherein all are having the same registered address, ie, Room 101, Tingkat 1, No 368, Jalan Pudu, 55100 Kuala Lumpur. The first, second and third defendants are also all operating under the same trading name ie 'Factory Outlet Store' and/or 'FOS' at the above-said outlets.

[12] The fourth and fifth defendants are the only common directors and shareholders of the first, second and third defendants.

THE DEFENDANTS' PRELIMINARY OBJECTIONS

[13] In the affidavit in reply of Cheong Teck Foo affirmed on 17 July 2007 the defendants raised the following preliminary objections:

(a) that the plaintiffs application for summary judgment is flawed because the first plaintiff is not the proprietor of the registered trademarks;

(b) the plaintiffs' application for summary judgment is dangerously wide ranging in that it seeks to unjustly benefit both the first and second plaintiffs;

(c) that there is a delay in the plaintiffs' application for summary judgment.

[14] In dealing with preliminary objections first and foremost the court is guided by the provisions of O 2 r 3 of the RHC which provides:

> A court or judge shall not allow any preliminary objection by any party to any cause or matter or proceedings only on the ground of non-compliance of any of these Rules unless the court or judge is of the opinion that such non-compliance has occasioned a substantial miscarriage of justice.

[15] In considering the defendants' preliminary objections that the application for summary judgment is flawed because the first plaintiff is not the proprietor of the registered trademarks and that the plaintiff's application

for summary judgment is 'dangerously wide ranging' in that it seeks to unjustly benefit both the first and second plaintiffs, the court is of the view that:

(a) the summons in chambers (encl 9) clearly states that it is 'for a final judgment in this action against the defendants pursuant to O 14 r 1 of the Rules of the High Court 1980 for trademark infringement as appears by the statement of claim herein and for the following relief as claimed therein'. The relief for trademark infringement as appear in the statement of claim is only available to the second plaintiff and the plaintiffs have indicated that they are prepared to accept any order which this court may make to that effect after the hearing of the summons for summary judgment;

(b) the action is instituted in both the plaintiffs' name because it is based on two causes of action ie, trademark infringement and passing off. The facts of the case for trademark infringement and passing off vis-à-vis the plaintiffs are in fact intertwined to some extent. The second plaintiff is a wholly owned subsidiary of the first plaintiff. As a result of the use of the second plaintiff's registered trademarks namely 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' by the first and second plaintiffs, the goodwill and reputation subsisting in them are shared by both the first and second plaintiffs;

(c) the fact that the summons in chambers (encl 9) states that the application is made by the plaintiffs, without specifying which plaintiff, does not ipso facto make the application 'flawed' as it is very clear that the application is based solely on the claim for trademark infringement. This is made abundantly clear in the grounds appearing in the summons in chambers itself and the supporting affidavit that the application is in respect of the second plaintiff's claim for trademark infringement. This is in full compliance with the requirements of O 14 r 2(1) of the RHC wherein it is provided that an application under r 1 must be made by summons supported by an affidavit in Form 18 verifying the facts on which the claim or the part of the claim, to which the application relates is based. The defendants are obviously made aware by the summons in chambers and the supporting affidavit that the claim is for trademark infringement only. They are in not a way prejudiced by the non-differentiation of the plaintiffs in the beginning part of the summons in chambers.

[16] More importantly, this court is entitled to give such judgment for the appropriate plaintiff on any part of the claim as may be just having regard to the nature of the remedy or the relief claimed (see O 13 r 3 of the RHC).

[17] With regard to the defendants' objection that there was delay in filing the application for summary judgment, the court finds that there is in fact no inordinate delay. The chronology of events leading to the filing of the present application on 12 June 2007 is as follow:

(a) the statement of claim was filed on 12 February 2007;

(b) the first, second and third defendants entered appearance on 22 March 2007;

(c) the fourth and fifth defendants have entered appearance on 13 April 2007;

(d) the defendants served their defence dated 13 April 2007 on the plaintiffs' solicitor on 16 April 2007; and

(e) the summons in chambers for summary judgment was filed on 12 June 2007.

[18] In other words, the present application for summary judgment was approximately two months after the filing of appearance by the fourth and fifth defendants and their defence. There is no inordinate delay. In any event the reason for the slight delay has been explained in para 42 of the plaintiffs' affidavit which is reproduced herewith:

> (42) The plaintiffs are based in the United States of America and the decision making process for instituting the present application involved some deliberations. The practical problem of affirming an affidavit in the Malays language in the United States of America also contributed to the time needed to file this application. In light of the above, I verily believe that the application for summary judgment has been made as expeditiously as possible after the defence was filed.

[19] Notwithstanding the above, the court is of the view that two month delay should not deprive the plaintiffs of an O 14 remedy. This is clearly borne out by the decision of the Court of Appeal in *Perkapalan Shamelin Jaya Sdn Bhd & Anor v Alpine Bulk Transport New York* [1997] 3 MLJ 818 wherein the NH Chan JCA stated at p 822 that:

> Delay in applying for O 14 is no ground for defeating the plaintiffs right to summary judgment under O 14 when there is no real defence disclosed.

[20] As such, the court rules that the preliminary objections of the defendants should be dismissed with costs.

A RELEVANT PROVISIONS RELATING TO TRADEMARK INFRINGEMENT

[21] The relevant provisions relating to trademark rights and infringement are ss 35, 36 and 38(1)(a) of the Trade Marks Act 1976.

[22] Section 35(1) of the Trade Marks Act 1976 provides:

> (1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

[23] Section 36 of the same Act provides:

> In all legal proceedings relating to a registered trade mark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

[24] Section 38(1)(a) of the same Act provide:

> (1) A registered trade mark is infringed by a person who not being the registered proprietor of the trademark or registered user of the mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either —
>
> (a) as being use as a trade mark.

JURISDICTION TO GRANT SUMMARY JUDGMENT FOR PERMANENT INJUNCTION

[25] The High Court is clearly empowered or seized of the jurisdiction to grant a summary judgment for trademark infringement even if it involves a claims for permanent mandatory injunction. This is clearly borne out by the authorities of *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang*

Jam City Port & Ors [1988] 1 MLJ 188; *Shell-Mex and BP Ltd v Manchester Garages Ltd* [1971] 1 All ER 841; [1971] 1 WLR 612; *Binariang Communications v I & P Inderawasih Jaya* [2000] 3 MLJ 321 and the recent decision of *Acushnet Company v Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557.

[26] In the *Fabrique Ebel* case, the learned judge Zakaria Yatim J held that it is clear that the court has jurisdiction to enter summary judgment under O 14 of the RHC for an injunction. Reliance was placed in the English Court of Appeal case of *Shell Mex and BP Ltd v Manchester Garages Ltd* cited above wherein Lord Denning said:

> It is true that a master has no power to grant an injunction, but the judge has ample power. I see no reason whatever why a plaintiff cannot go straight to the judge and ask for summary judgment under RSC O 14 for an injunction … The plaintiffs were quite entitled to go under RSC O 14 to the judge for an injunction.

[27] The decisions of *Fabrique Ebel* and *Shell-Mex* were affirmed and adopted in our Court of Appeal decision of *Binariang Communications Sdn Bhd v I & P Inderawasih Jaya Sdn Bhd*. In the *Binariang Communications Sdn Bhd's* case, the respondent successfully obtained summary judgment against the appellant for, inter alia, an mandatory injunction directing the appellant to dismantle and remove all the structure and appurtenances that they had installed on the roof of the respondent's building within seven days of the date of the order and a prohibitory injunction restraining the appellant from further acts of trespass into the respondent's property. During the appeal the issue of whether injunctive relief can be obtained by way of O 14 proceedings was raised. The learned judge Siti Norma JCA held:

> That same issue was raised in the case of *Shell-Mex & BP v Manchester Garages Ltd* [1971] 1 All ER 841, where the English Court of Appeal held that it was perfectly proper for a plaintiff to ask for an injunction in summary proceedings under O 14 provided such an application was made to a judge and not to the Master as the latter had no jurisdiction to issue any injunctive relief. That decision was followed by Zakaria J (as he then was) in *Fabrique Ebel Societe Anonyme v Syarikat Perniagaan Tukang Jam City Port & Ors* [1988] 1 MLJ 188, where he elaborated that as long as three conditions have been fulfilled, there is no restriction in law to prevent a plaintiff from proceeding to obtain injunctive relief in O 14 proceedings before a judge.

[28] In the *Fabrique Ebel's* case, the learned judge Zakaria Yatim J at p 188 held as follows:

(1) The court has jurisdiction to enter summary judgment under O 14 of the Rules of the High Court for an injunction;

(2) in order to succeed in its application for summary judgment under O 14, the plaintiff must satisfy three conditions as laid down in the order, fthe irstly, the defendants must have entered appearance; secondly, the statement of claim has been served on the defendants and, thirdly, the application for summary judgment must be supported by affidavit. In this case, the plaintiff has satisfied all the three conditions;

(3) in order to establish infringement of the trademark, the plaintiff has to satisfy the following five requirements;

(a) the defendants used the mark identical with the plaintiff's mark;

(b) the offending mark was used by persons who have not been authorised or licensed by the plaintiff;

(c) the defendants were using the offending mark in the course of trade;

(d) the defendants used the offending mark in relation to goods in respect of which the trademark is registered; and

(e) the defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trademark. In this case, the plaintiff has satisfied all the five requirements.

(4) since the plaintiff is applying for summary judgment against the defendants on an action for infringement comparison must be made between the plaintiff's registered mark and the mark used by the defendants. Having made the comparison and having considered the evidence in the affidavits, the court was satisfied that the defendants had infringed the plaintiff's registered trademark under s 38(1)(a) of the Trade Marks Act 1976;

(5) from the affidavits and the statement of defence filed by the defendants, they have not disclosed any triable issue at all. Their defence is a bare denial without giving any particulars at all;

(6) the plaintiff's application for final judgment under O 14 must therefore be allowed.

[29] This court has approved and applied the *Fabrique Ebel's* decision in *Acushnet Company v Metro Golf Manufacturing Sdn Bhd* cited above.

[30] The summary of the legal position was aptly put by the learned author, David Bean in his book: *Injunctions* (7th Ed), FT Law & Tax, in the following words:

A plaintiff may seek summary judgment under RSC O 14, for a perpetual injunction (*Shell-Mex & BP Ltd Manchester Garages Ltd* [1971] 1 WLR 612). The application must be made directly by summons to a judge in chambers since a master has no power to grant an injunction except by consent.

[31] The court is also aware of the provisions of s 51(2) of the Specific Relief Act 1950 which provides:

A perpetual injunction can only be granted by the decree made at the hearing and upon the merits of the suit; the defendant is thereby perpetually enjoined from the assertion of a right, or from the commission of an act, which would be contrary to the rights of the plaintiff.

[32] The purpose of s 51(2) is to prohibit granting of a perpetual or final injunction, in contrast to an interlocutory injunction which can be granted ex parte, without the other party being heard. In other words a perpetual or final injunction can only be granted after an inter partes hearing. For this proposition the court refers to Sinnadurai's *Law of Contract* (3rd Ed), Vol 1, para 14.68 at p 868 wherein the learned author states:

Generally, injunctions are of two types: interlocutory or final. The Specific Relief Act 1950 employs the term 'temporary injunction' to refer to 'interlocutory injunction'; and the term 'perpetual injunction' to mean 'final injunction': see s 50(1) and (2) of the Specific Relief Act 1950. The terms 'exparte' and 'inter partes' are also commonly used: where the plaintiff is seeking for an injunction, and if the defendant had not been served with an application so as to enable the defendant to contest the application, it is said to be ex parte, whereas, if the defendant had been served with the application, it is referred to as inter partes. In other words, an ex parte injunction is one where it is granted without the other party being given an opportunity to contest it. Therefore, generally ex parte injunctions tend to be interlocutory. A final injunction is granted after an inter partes hearing, and as s 51(2) provides 'can only be granted by the decree made at the hearing and upon the merits of the suit'.

[33] In this context, the court rules that the definition of 'hearing' as found in s 51(2) encapsulates a meaning that is wider than just a trial. Thus the word 'hearing' may encompass a trial or any other proceedings where evidence and arguments are listened to by a presiding judge or an official of the court. As such, a 'hearing' does not necessarily be confined to a trial. According to *Osborn's Concise Law Dictionary* by Roger Bird, (7th Ed, 1983), Sweet & Maxwell, at p 163, a 'hearing' means 'a trial or motion for judgment'.

[34] The meaning of 'hearing' in the context of the Subordinate Court Rules 1980, has been explained in the case of *Sri Minal Construction Sdn Bhd*

v Mobil Oil Malaysia Sdn Bhd [2006] 1 MLJ 746 to mean 'any proceedings' and when a matter is called on hearing it means that the action is called on for the conduct of any proceeding related to the action. The Court of Appeal further explained that in that context, 'proceedings' can only mean any business that needs to be conducted. Although this case concerned an interpretation of the meaning of 'hearing' found in O 1 r 6 of the Subordinate Court Rules 1980, the court is of the view that it is nevertheless an authority which may assist this court in coming to a conclusion on the meaning of 'hearing' found in the Specific Relief Act 1950.

[35] Further, the decision of *Sejahratul Dursina @ Chomel bte Abdullah v Kerajaan Malaysia* [2006] 1 MLJ 405 supports the contention that 'hearing' include any hearing of an application. Here the Federal Court was dealing with the issue whether there is a distinction between the date of hearing and the date of decision. The Federal Court ruled at para 26 of p 412:

> First, we do not think we should or could separate the date of hearing from the date of decision. The date fixed for a decision in fact forms part of the hearing. As always happens, even on the date fixed for decision, counsel still seek, and are usually allowed unless the request is unreasonable, to make further submissions or to clarify a fact or to bring the court of the latest development. The hearing of an application certainly includes the decision thereof.

[36] The above view on the meaning of 'hearing' has been accepted as correct in the Federal Court case of *Metramac Corp Sdn Bhd v Fawziah Holdings Sdn Bhd* [2006] 4 MLJ 113; [2006] 3 CLJ 177 at p 194.

[37] To summarise, the court rules that a perpetual injunction can be obtained in a summary judgment application as long as the court hears both parties on the merits.

[38] It is also stated at s 52(3) of the Specific Relief Act 1950 that:

> When the defendant, invades or threatens to invade the plaintiff's right to, or enjoyment of, property, the Court may grant a perpetual injunction in the following cases, namely:
>
> (a) where the defendant is trustee of the property for the plaintiff;
>
> (b) where there exists no standard for ascertaining the actual damage cause, or likely to be caused, by the invasion;
>
> (c) where the invasion is such that pecuniary compensation would not afford adequate relief;
>
> (d) where it is probable that pecuniary compensation cannot be got for the invasions; and

(e) where the injunction is necessary to prevent a multiplicity of judicial proceedings.

[39] From the relevant sections of the Specific Relief Act 1950, as mentioned above, there is no provision in the Specific Relief Act 1950 which prohibits the High Court from awarding an injunction at the summary judgment application. On the contrary, the provisions of the Specific Relief Act 1950 in fact provide for instances where injunctions can be awarded and this includes instances of trademark infringement when these are evidence to show that the use of the trademark by the plaintiff is honest.

REQUIREMENTS FOR SUMMARY JUDGMENT

[40] As stated earlier, in the *Fabrique Ebel's* case, in order to succeed in their application for summary judgment under O 14, the plaintiffs must satisfy three preliminary conditions as laid down in the order: firstly, the defendants must have entered appearance; secondly, the statement of claim has been served on the defendants; and thirdly, the application for summary judgment must be supported by affidavit.

[41] In the present case, the plaintiffs have satisfied the three preliminary requirements for an application for summary judgment in the following manner:

(a) the first, second and third defendants entered appearance to this action on 22 March 2007;

(b) the fourth and fifth defendants entered appearance to this action on 13 April 2007;

(c) the statement of claim had been fully served on the defendants on 15 March 2007; and

(d) this application for summary judgment which was filed on 12 June 2007 is supported by Shane's affidavit.

SUMMARY JUDGMENT FOR TRADEMARK INFRINGEMENT

[42] In order to succeed in their application under O 14 of the RHC, the plaintiffs in the present case must on merit establish their cause of action against the defendants for trademark infringement and that the defendants have not raised any defence to the plaintiffs' claim or any triable issue for that matter. Once the plaintiffs succeed in making out a prima facie case against the defendants, the onus then shifts to the defendants show to this court as

to why summary judgment should not be entered against them. What constitute a triable issue in an application for summary judgment?

Triable issue means issue raised by the defendants which is fit to be tried. The defendants must provide answers on oath which constitute evidence that they have defence which is fit to be tried. Denial in a defence does not constitute evidence (see *Chen Heng Peng & Ors v Intradagang Merchants Bankes (M) Sdn Bhd* [1995] 2 MLJ 363; and *Acushnet Company v Metro Gulf Manufacturing Sdn Bhd*. A mere bare assertion by the defendants would not be sufficient. The duty of the court is quite onerous in the extreme. The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendants have a real or what is commonly known as a bona fide defence (see *Renofac Builder (M) Sdn Bhd v Chase Perdana Bhd* [2000] MLJU 752).

[43] At the end of the day, to borrow the phraseology used in the *Acushnet Company's* case:

> the only issue for the court to determine in the present case is one of law, ie, whether based on the facts available there has been an infringement of the plaintiff's registered trademark …

[44] The facts made available in the present case clearly show that there is infringement of the second plaintiff's registered trademark 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' by the defendants based on the particulars below.

[45] It should be pointed out at the outset that it is not disputed by the defendants that they are and have been using the trademarks 'ABERCROMBIE & FITCH' and 'ABERCROMBIE'. The defendants also do not seriously dispute the various trap purchases made and the search and seizures made by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs.

[46] On 28 May 2006, the second defendant had sold to the plaintiffs' representative a T-shirt bearing the 'ABERCROMBIE & FITCH' and/or 'ABERCROMBIE' trademark.

[47] On 24 June 2006, the second defendant had sold to the plaintiffs' representative a T-shirt bearing the offending marks.

[48] On 22 July 2006, the third defendant had sold to the plaintiffs' representative, two T-shirt bearing the offending marks.

[49] On 24 September 2006, the second defendant had sold to the plaintiffs' representative a T-shirt bearing the offending marks.

[50] On 18 November 2006, the second defendant had sold to the plaintiffs' representative a T-shirt bearing the mark 'AF' and the description 'established 1892', the year the plaintiffs' predecessors were established.

[51] On 25 December 2006, the first defendant had sold to the plaintiffs' representative two T-shirts bearing the offending marks.

[52] On 19 March 2007, the first defendant had sold to the plaintiffs' representative two T-shirts bearing the offending marks.

[53] The aforementioned articles of clothing sold to the plaintiffs' representative by the first, second and third defendants bearing the offending marks were verified and confirmed by the plaintiffs to be goods not of their manufacture.

[54] On 8 August 2006, the Wilayah Persekutuan and Shah Alam branches of the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs had conducted search and seizure of goods bearing the offending marks at the premises of the first, second and third defendants. A total of 2240 units of various articles of clothing were seized from the following premises of:

(a) the first defendant located at G27D2 & G27E, Ground Floor, Subang Parade Shopping Centre, Subang, Selangor;

(b) the second defendant located at Lot E11 & E12, Promenade 1 One Utama Shopping Centre, 1 Lebuh Bandar Utama, Damansara, Selangor; and

(c) the third defendant located at LG6, Lower Ground Floor, Bangsar Village Centre, Bangsar, Kuala Lumpur.

The goods seized have been confirmed by the plaintiffs as goods not manufactured by or on behalf of the plaintiffs.

[55] It is apparent that the defendants have committed blatant infringements of the second plaintiff's registered trademarks.

[56] With regard to the issue of infringement of the second plaintiff's registered trademarks, the court is satisfied that the plaintiffs have satisfied the requirements as laid down in the *Fabrique Ebel's* case and approved in the

Acushnet Company's decision (at p 575):

(a) the defendants used the mark identical with the plaintiffs registered mark;

(b) the offending mark as used by persons who have not been authorised or licensed by the plaintiff;

(c) the defendant was using the offending mark in the course of trade;

(d) the defendant used the offending mark in relation to goods in respect of which the trademark is registered; and

(e) the defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trademark.

[57] The court shall now show how the plaintiffs have satisfied all the five requirements as demonstrated below.

The defendants used marks identical to the second plaintiff's registered trademarks

[58] Firstly, the mark used by the defendants are identical to the second plaintiff's registered trademarks, namely 'ABERCROMBIE & FITCH' and 'ABERCROMBIE'. The photographs exhibited as exhs 'SB–8' to 'SB–14' and 'SB–16' of Shane's affidavit clearly show that the infringing articles of clothing bear the offending marks namely, 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' which are identical with the second plaintiff's registered trademarks.

The offending marks were used by persons who have not been authorised or licensed by the plaintiffs

[59] The plaintiffs confirm that neither of them has at any time licensed or authorised the defendants or any of them to use the second plaintiff's registered trademarks, 'ABERCROMBIE & FITCH' nor 'ABERCROMBIE' trademarks in the course of trade.

The defendants were using the offending marks in the course of trade

[60] The first, second and third defendants were displaying, offering for sale and selling articles of clothing bearing the offending marks at their business premises. Trap purchases of the infringing articles of clothing have been procured from the defendants and for which receipts of purchases were duly issued. Further, there were search and seizures conducted by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs at the business premises of the first, second and third defendants

whereby a substantial quantity of articles of clothing bearing the offending marks were seized. These articles of clothing have been duly confirmed by the deponent of Shane's affidavit to be counterfeits, ie goods not manufacture by or on behalf of the plaintiffs.

The defendants used the offending marks in relation to goods in respect of which the trademarks are registered

[61] The second plaintiff's registered trademarks, 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' marks are registered in respect of 'articles of clothing, footwear and headgear'.

[62] The offending articles offered for sale and sold by the defendants were articles of clothing, clearly falling within the ambit of the registered goods. The photographs exhibited as exhs 'SB-8' to 'SB–14' and 'SB–16' in Shane's affidavit clearly show that the defendants were using the trademarks 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' on articles of clothing.

The defendants used the offending marks in such a manner as to render the use of the mark likely to be taken as being use as a trademark

[63] Section 3(1) of the Trade Marks Act 1976 defines a 'trademark' as:

> 'trademark' means … a mark used … in relation to goods … for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or registered user to use the mark whether with or without an indication of the identity of the person.

[64] It is also stated at s 3(2) of the Trade Marks Act 1976 that:

> (a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark; and
>
> (b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods.

[65] It is beyond doubt the offending marks were being used as trademarks for the purposes of trade. This is not disputed by the defendants.

[66] In conclusion, the court is satisfied that the plaintiffs have fulfilled all the five requirements as laid down in the *Fabrique Ebel's* case and therefore

made out a clear case of trademark infringement.

THE DEFENDANTS' PURPORTED DEFENCE

[67] The defendants claim that they were the earlier or first user of the offending marks in Malaysia. However, it should be pointed out that this is a bare averment without any substantiating evidence. The defendants merely produced copies of their certificates of incorporation as evidence of the purported earlier use. The certificates of incorporation of company merely show that the defendants were incorporated in 1994. Surely it does not merit a trial to investigate this preposterous claim of first use based on this spurious evidence adduced. It is trite law, that the defendants must produce credible evidence to show that there is a case which merits a trial.

[68] In this regard, it should be pointed out that one of the second plaintiff's registered trademarks, namely 'ABERCROMBIE & FITCH' was registered with effect from 27 August 1994. Any allegation of prior use, if it is to be of any legal significance, must be earlier than this. Since the second and third defendants were incorporated in 1999 and 1995 respectively, it is impossible that they will be able to rely on the defence of prior use. Further, the first defendant was incorporated on 19 August 1994 under a different name, ie, 'Fragrance World Sdn Bhd', and only changed its name to the present name in 1998. It is highly improbable that there would be any actual use of the offending marks as alleged before 27 August 1994.

[69] Further, the two registered marks of the second plaintiffs were registered for more than seven years and they are to be treated as valid in all respects in all legal proceedings, see, s 37 of the Trade Marks Act 1976.

THIRD-PARTY USE

[70] The defendants even allege that there were third party uses of the subject trademarks. But surely a third party's infringement or crime does not afford a ground to exonerate the defendants from their nefarious activities.

ALLEGED NON-USE OF THE TRADEMARKS

[71] The defendants also put into issue the alleged non-use of the second plaintiff's registered trademarks 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' by the plaintiffs. However, it should be pointed out that the defendants do no raise any challenge to the validity of the registrations by counterclaim for expungement. As stated above, the second plaintiff's registered trademarks have been registered for more than seven years and they are to be regarded as valid and conclusive in all legal proceeding pursuant to.

As such, the allegations of non-use are totally irrelevant to the claim for a trademark infringement. However, to put to rest any doubt which may arise as a result of such allegation, the court finds that it is incorrect and misleading to say that the plaintiffs have not used the second plaintiff's registered trademarks in Malaysia. As affirmed by the deponent in Shane's affidavit, the plaintiffs operate and maintain three e-commerce websites namely www.abercrombie.com, www.abercrokbiekids.com and www.gilisterco.com which sell their products to various countries worldwide including Malaysia.

[72] The plaintiff's products including articles of clothing bearing the second plaintiff's registered trademarks are available for purchase over the internet. At all material times, the plaintiffs maintained and continue to maintain, inter alia, that the following websites which offer for sale the plaintiff's products bearing, the 'ABERCROMBIE & FITCH' and 'ABERCROMBIE' trademarks: www.abercrombie.com and www.abercrombiekids.com. All these websites are accessible to all customers who have access to the internet including customers and/or potential customers in Malaysia. The plaintiffs have in fact sold and shipped products bearing the second plaintiff's registered trademarks to Malaysia customers in Malaysia.

[73] Sale of goods bearing a trademark over the internet or via a website has been recognised as a use of the trademark.

[74] On appeal in *1-800 Flowers Inc v Phonenames Ltd* [2002] FSR 12 CA, Buxton LJ has provided obiter these guidelines on whether use of a mark on the internet might be sufficient to constitute use of the mark in the United Kingdom for the purpose of trademark law. Placing a mark on the internet from a non-United Kingdom location would not suffice. An active move, like direct encouragement to purchase the product or advertisement, would be necessary in order to establish the necessary use. In the United States personal jurisdiction cases can be divided into three categories:

(1) Active Web Sites: cases … where defendants actively conduct business on the internet in the forum state and personal jurisdiction is found;

(2) Intermediate Web Sites interactive web site cases … where a user exchanges data with the host computer. In such cases, jurisdiction is determined by examining the level of interactivity and commercial nature of the information exchange;

(3) Passive Web Sites: sites that merely provide information or advertisements. Decisions … refuse to find personal jurisdiction in such cases.

[75] The learned author Teo Bong Kwang, in his book — *Trade Mark Law and Practice in Malaysia* (Butterworth, 2001) at p 364 says the followings:

> One thing is clear from the decisions of Jacob J and Buxton LJ stated above, that is, mere access of a web site which carries a particular trademark within the United Kingdom is not sufficient to constitute use of that mark in the United Kingdom. There must be some 'additional steps' taken by the website owner in order to bring the mark into use in the United Kingdom. What these additional steps are, will presumably depend on the circumstances of each case. The most probable 'additional steps' are of course the actual provisions of the goods for sale over the Internet. Thus, if consumers access the web site and order the goods, as a result of the advertisement or information on the website, such transaction definitely qualifies as use of the trademark.

[76] From the above case; '*1-800 Flowers*', it appears that the court took into account the intention and purpose for putting up the website. If the website is intended to be used to seek worldwide trade with a view towards commercial gain, (as in the present case), its activities fall squarely within the category of 'doing business over the internet' and may constitute 'use' for the purpose of trademark proceedings, (see also, Jeremy Phillips & Hanah Simon (Eds) *Trade Mark Use* (Oxford University Press, 2005) pp 276–277).

INFRINGEMENT BY THE FOURTH AND FIFTH DEFENDANTS

[77] The fourth and fifth defendants are the persons responsible for the incorporation and promotion of the first, second and third defendants as corporate bodies. As such they are the soul and mind of the first, second and third defendants and are therefore liable personally. The fourth and fifth defendants are the signatories of the Form 49 for the incorporation of the first, second and third defendants. This shows that they are promoters of these three companies.

[78] The court is satisfied that the first, second and third defendants were formed by the fourth and fifth defendants for the purpose of carrying out the sale, offer for sale of articles of clothing bearing the offending marks. It should be noted the first, second and third defendants are having a nominal sum of RM2 as issued up capital. The fourth and fifth defendants are the only directors and shareholders of the first, second and third defendants and they are the directing mind and will of the first, second and third defendants. The first, second and third defendants are merely instruments and/or facade used by the fourth and fifth defendants to carry out their nefarious infringing activities and as such they should be held liable for the infringement of the second plaintiff's registered trademarks as well.

[79] For the above proposition the court relies on the case of *Panhar et Legasor v Panhand Levassor Motor Co Ltd* (1901) 198 RPC 405. In this case the defendant is an English company having registered a name similar to that of French motor car company, the plaintiff. The French company brought an action against the English company and the seven persons who signed the memorandum of association. The plaintiffs prayed for an injunction to restrain the defendants from using the names 'Panhard' and 'Levassor' or either of them, or any other name colourably resembling the name of the plaintiffs in connection with the manufacture or sale of motorcars. The plaintiffs also prayed for an injunction to restrain the defendants, the signatories of the memorandum of association, from allowing the defendants company to remain registered under its present name. In this case the learned judge, Farwell J, ordered and adjudged that:

> the defendants, the Panhard-Levassor Motor Company Ltd and the seven other defendants, their servants or agents, be perpetually restrained from using the names of Panhard and Levassor or either of them, or otherwise colourably resembling the name of the plaintiffs, in connection with the manufacture, use or sale of, or other dealing in, motor cars or parts thereof. And it was ordered that the seven defendants (other than the company) naming them, do not allow the defendant company to remain registered under its present name, or any such title or description as aforesaid. All the defendants were ordered to pay the plaintiffs their costs of the action.

[80] The learned judge goes on to decide at p 409:

> Then the only part of the case which has caused me a little difficulty is the claim against the seven defendants who have signed the memorandum and who are the directors and only members of the company. The allegation is that they have fraudulently and wrongfully and with intent to injure the plaintiffs in their business conspired together to form, and have formed, and procured the defendant company to be registered, and so on. The conclusion I have come to is that it follows from my holding on the first point — namely, that the defendant company has the fraudulent intention of annexing the benefit of the plaintiff's name — that the persons who have formed that company and caused it to be registered are guilty in the eye of this court of a fraudulent conspiracy to carry into effect that which the company, an entity without body or soil, has attempted to do, and are liable in damages accordingly. I think it would certainly be exceedingly unfortunate if the court were to hold that a limited company could be formed with a very small nominal capital for the purpose of trying to do unlawful acts, fraudulent acts, illegal acts, and that no one would be liable except the incorporated body, which in the particular case may or may not have seven pounds or seven shillings capital.

[81] The decision of *Panhard et Legasor* was followed in *Suhner & Co AG v Sunher Ltd* [1967] RPC 336.

[82] In *Oertli AG v EJ Bowman (London) LD & Ors* [1956] RPC 282, the learned judge, Roxburgh J found that the individual defendants, as directors were liable to the plaintiffs for engaging in a course of dishonest trading for the purpose of passing off.

[83] The learned author P Narayanan in *Law of Trade Mark and Passing Off* (4th Ed, Eastern Law House, 1991) at para 24–24 aptly summarises the legal position as follows:

> Where a limited company is the defendant, the directors of the company cannot be joined as co-defendants unless they have personally committed or directed infringing acts. Persons directly responsible for the promotion of a company eg, the signatories to the memorandum of association for the purpose of committing a wrongful act are liable to be made defendants. Where a company had deliberately engaged in a course of dishonest trading for the purpose of passing off, the directors of the company may be held liable.

CONCLUSION

[84] In conclusion, the court is satisfied that the defendants have not raised any issue which merits a trial. In fact, 'nothing would be gained by allowing the matter to go to trial' (per Blackburne J in *Gillette UK Ltd & Anor v Edenwest Ltd* [1994] RPC 279 at p 294) because, *firstly* all the allegations made and issues raised are not substantiated with any evidence. *Secondly*, these issues, even if they are proven, do not constitute any statutory defence to a claim or trademark infringement as provided under s 40 of the Trade Marks Act 1976. Clearly to raise any real prospect of defence, the defendants must descend to the particulars and adduce the relevant evidence to bring itself within the ambit of s 40 of the Trade Marks Act 1976 which, the defendants have failed miserably. At this juncture, it is perhaps most pertinent to refer to the passage of a learned judge, Mahadev Shankar JCA in *Chen Heng Ping @ Tian Seow Hock & Ors v Intradagang Merchant Bankers (M) Berhad* [1995] 2 MLJ 363 (at p 367):

> When an application is made for summary judgment under O 14 supported by an affidavit which goes to show that there is no defence, the defendants must show cause why leave to defend must be given. This means that the defendants must provide answers on oath which constitute evidence that they have a defence which is fit to be tried. The appellants in the present case do not appear to have appreciated this. Their affidavits merely relied on the defence they plead, which consists of bare denials and points of law which they could not sustain.

[85] The defendants' affidavits in the present case 'merely relied on the defence they pleaded, which consists of bare denials and points of law which they could not sustain' (to borrow the phrase of the learned judge in *Chen Heng Ping's* case).

[86] Based on the above, the court finds that the defendants have failed to raise any triable issue to the clear case of trademark infringement as established by the second plaintiff. Therefore, a final judgment in favour of the second plaintiff as prayed for in the summons in chambers (encl 9) be entered against all the defendants with costs.

Application allowed with costs.

Reported by Andrew Christopher Simon